(b) if so, the steps taken / proposed to be taken to address the acute security threat perception in the State as a result of hostile extremism of the ULFA?

THE MINISTER OF THE STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI I.D. SWAMI). (a) and (b) according to available information, militant / terrorist activities of ULFA have registered a decline in the year 2001 as compared to the year 2000.

The State Government of Assam has informed that the ULFA militants have categorized the State Chief Minister as 'enemy' because of his hard-line approach against militancy. The Sate Government is therefore, taking all necessary measures for the security of its Chief Minister and Minister of State for Home.

Besides, the Central Government has taken various steps to protect lives and properties from terrorist outfits in Assam. These include, *inter alia,* deployment of Para-military forces and Army in the State, coordinated action by Army, Para-military Forces and State Police for counter militancy operations, declaration of major militant groups as Unlawful associations under the Unlawful Activities (Prevention) Act, 1967, declaration of the entire State of Assam as ""disturbed area" under the Armed Forces (Special Powers) Act, 1958; reimbursement of security related expenditure to the State Government and modernization / up-gradation of State Police Force. Regular review of the situation both at the level of State and Central Government is being made.

New tariff of CERC on NTPC profits

*87. PROF. (SHRIMATI) BHARATI RAY: Will the Minister of POWER be pleased to state:

(a) whether Government *ari* aware that due to implementation of new tariffs notified by Central Elec ity Regulatory Commission (CERC) the National Thermal Power Corporation (NTPC) has estimated a fall of upto Rs. 900 crore in its profit during the current financial year; and

(b) if so, Government's reaction thereto?

THE MINISTER OF POWER (SHRI SURESH PRABHU): (a) and (b) The Government of India constituted the Central Electricity Regulatory Commission (CERC) under the Electricity Regulatory Commissions (ERC) Act, 1988. The functions of CERC *inter alia* include regulation of tariff of

generating companies owned or controlled by the Central Government and promotion of competition, efficiency and economy in the activities of the electricity industry. The Central Commission while determining the terms and conditions for fixation of tarif is guided by the principle *inter alia* that generating companies may earn an adequate return and at the same time they do not exploit their dominant position in generation, sale of electricity.

The Central government deleted the provisions of section 43A(2) of the Electricity (Supply) Act, 1948 with effect from 15th May, 1999 in exercise of powers under section 51 of the ERC Act, 1998. The Government of India had informed CERC in June 1999 that while regulating tariff they would be free to depart from the norms fixed *vide* the 1992 tariff notification.

CERC issued orders on 4.1.2000,15.12.2000,21.12.2000 on Availability Based Tariff (ABT) and Tariff Principles/Norms. In addition to being a performance-based tariff for the supply of power by central generating stations, the ABT is aimed at incentivising maintenance of grid discipline. By these orders CERC revised the norms fixed by the Central Government in the tariff notification of 1992. National Thermal Power Corporation (NTPC) has estimated a reduction in revenue to the tune of Rs. 981 crore in the current financial year due to the orders of the CERC.

CERC has also allowed NTPC to charge 5% of capacity charge in every bill as development surcharge to met the requirement of funds for enhanced capacity addition. NTPC has not taken into account the earning which it would get from this surcharge while estimating the reduction in revenue.

Defence Intelligence Agency

*88 SHR1MAT1 VANG A GHEETHA:

DR. Y. LAKSHMI PRASAD: Will the Minister of DEFENCE be pleased to state:

(a) the action taken to set up Defence Intelligence Agency to strengthen the National Security System; and

(b) how the functioning of different service intelligence directorates is proposed to be coordinated?

THE MINISTER OF DEFENCE (SHR1 GEORGE FERNANDES): (a) Government have issued orders for establishment of the Defence Intelligence Agency on 9th February 2002.